



Health Insurance Exchanges Under the ACA

Mayor's Health Reform Implementation
Committee
June 15, 2011

What is an Exchange?



Goals of the Exchange

- ▶ Promoting competition
- ▶ Simplifying shopping for insurance
- ▶ Enforcing consumer protections
- ▶ Standardizing consumer information
- ▶ Centralizing enrollment
- ▶ Facilitating insurance market reform – shifting the market from competition based on avoiding risk to competition based on price and quality

Key Functions of the Exchange

- ▶ Maintain an on-line portal where consumers can obtain standardized information on insurance products
- ▶ Make comparison shopping for insurance easy (like Expedia or Orbitz)
- ▶ Provide customer service and call center
- ▶ Centralize enrollment and screen individuals for Medicaid and link to Medicaid system for enrollment
- ▶ Transition between commercial and government programs
- ▶ Establish *Navigator* Program
- ▶ Determine eligibility for and administer tax credits
- ▶ Provide an electronic calculator to determine the cost of coverage after tax credit and cost sharing
- ▶ Enroll individuals and businesses into plans through standardized electronic forms
- ▶ Maintain customer confidentiality
- ▶ Enforce consumer protections
- ▶ Track compliance, penalties and exemptions

Sort plans by Benefits Package

You've Selected:

Benefits Package

- YAP
 Bronze
 Silver
 Gold

Narrow Your Plans by:**Monthly Cost**

- Less than \$300 (40)
 \$301 - \$400 (19)
 \$401 - \$500 (2)
 Greater than \$500 (1)

Annual Deductible

- None (12)
 \$250 - \$500 (18)
 \$500 - \$1,000 (6)
 \$1,000 - \$2,000 (6)
 \$2,000 - \$4,000 (22)

Insurance Carrier

- Carrier A (11 Plans)
 Carrier B (7 Plans)
 Carrier C (11 Plans)
 Carrier D (11 Plans)
 Carrier E (11 Plans)

Show Plans. Then choose up to 3 to compare. Click **Continue** at bottom.

	Monthly Cost	Annual Deductible	Annual Out of Pocket Max.	Doctor Visit	Generic Rx	Emergency Room	Hospital Stay
STANDARD BENEFITS FOR ALL YAP LOW WITHOUT Rx PLANS							
YAP Low no Rx Benefits Package 5 plans available Show Plans About YAP Low no Rx	as low as \$136	\$2,000	\$5,000	\$25 copay	Not applicable	\$250 copay	annual deductible, then 20% co-insurance
STANDARD BENEFITS FOR ALL YAP LOW WITH Rx PLANS							
YAP Low with Rx Benefits Package 5 plans available Show Plans About YAP Low with Rx	as low as \$163	\$2,000	\$5,000	\$25 copay	\$15 copay	\$250 copay	annual deductible, then 20% co-insurance
STANDARD BENEFITS FOR ALL YAP HIGH WITHOUT Rx PLANS							
YAP High no Rx Benefits Package 5 plans available Show Plans About YAP High no Rx	as low as \$168	\$250	\$5,000	\$25 copay	Not applicable	\$250 copay	annual deductible, then 30% co-insurance
STANDARD BENEFITS FOR ALL YAP HIGH WITH Rx PLANS							
YAP High with Rx Benefits Package 5 plans available Show Plans About YAP High with Rx	as low as \$191	\$250	\$5,000	\$25 copay	\$15 copay	\$250 copay	annual deductible, then 30% co-insurance
STANDARD BENEFITS FOR ALL BRONZE LOW PLANS							
Bronze Low Benefits Package 6 plans available Show Plans About Bronze Low	as low as \$219	\$2,000 (ind.) \$4,000 (fam.)	\$5,000 (ind.) \$10,000 (fam.)	annual deductible, then \$25 copay	annual deductible, then \$15 copay	annual deductible, then \$100 copay	annual deductible, then 20% co-insurance
STANDARD BENEFITS FOR ALL BRONZE MEDIUM PLANS							
Bronze Medium Benefits Package 6 plans available Show Plans About Bronze Medium	as low as \$224	\$2,000 (ind.) \$4,000 (fam.)	\$5,000 (ind.) \$10,000 (fam.)	\$30 copay	\$10 copay	annual deductible, then \$150 copay	annual deductible, then \$500 copay
STANDARD BENEFITS FOR ALL BRONZE HIGH PLANS							
Bronze High Benefits Package 6 plans available Show Plans About Bronze High	as low as \$229	\$250 (ind.) \$500 (fam.)	\$5,000 (ind.) \$10,000 (fam.)	\$25 copay	\$15 copay	\$150 copay	annual deductible, then 35% co-insurance
STANDARD BENEFITS FOR ALL SILVER LOW PLANS							
Silver Low Benefits Package 6 plans available Show Plans About Silver Low	as low as \$272	\$1,000 (ind.) \$2,000 (fam.)	\$2,000 (ind.) \$4,000 (fam.)	\$20 copay	\$15 copay	annual deductible, then \$100 copay	annual deductible, then no copay
STANDARD BENEFITS FOR ALL SILVER MEDIUM PLANS							
Silver Medium Benefits Package 6 plans available Show Plans About Silver Medium	as low as \$288	\$500 (ind.) \$1,000 (fam.)	\$2,000 (ind.) \$4,000 (fam.)	\$20 copay	\$15 copay	\$100 copay	annual deductible, then no copay
STANDARD BENEFITS FOR ALL SILVER HIGH PLANS							
Silver High Benefits Package 6 plans available Show Plans About Silver High	as low as \$311	None	\$2,000 (ind.) \$4,000 (fam.)	\$25 copay	\$15 copay	\$100 copay	\$500 copay
STANDARD BENEFITS FOR ALL GOLD PLANS							
Gold Benefits Package 6 plans available Show Plans About Gold	as low as \$380	None	None	\$20 copay	\$15 copay	\$75 copay	\$150 copay

ACA Requirements for the Exchange

Establishing the Exchange

- ❖ The District must establish an Exchange by 2014 or allow the federal government to establish one for the District
- ❖ The District must demonstrate significant progress in the establishment of the Exchange and signal “readiness” in 2013

The District has the option to:

Operate the
Exchange directly

Enter into
agreements with
other states to jointly
provide an Exchange

Allow the federal
government to run
the Exchange for the
District

ACA Requirements for the Exchange

Operating the Exchange

Exchange must be operated by either:

District Agency

Quasi-
Governmental
Agency

Independent
Nonprofit

ACA Requirements for the Exchange

Types of Exchanges

- ❖ There will be 2 types of Exchanges:
 - American Health Benefit Exchange, or Individual Health Exchange
 - Small Business Health Options Program, or SHOP Exchange

DC can choose to:

Establish a single Exchange serving both individuals and small businesses, or

Establish separate entities

ACA Requirements for the Exchange

Qualified Plans in the Exchange

Exchanges must certify that Health Plans sold in the Exchange meet certain requirements – *Qualified Plans*

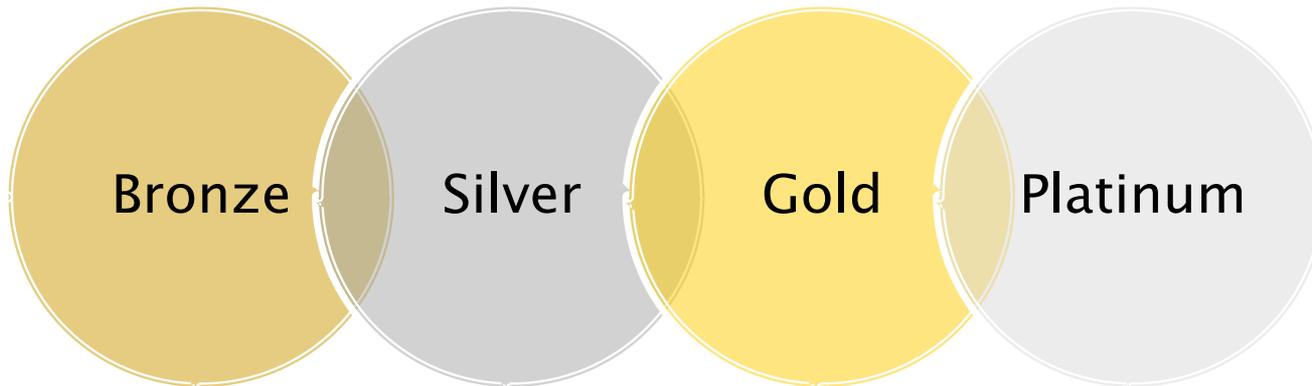
Qualified Plans are required to:

- ❑ Limit differences in rates charged for coverage
- ❑ Present rate increases to the Exchange for examination
- ❑ Provide *Essential Benefits*, to be defined by HHS
- ❑ Provide and make public extensive reports for transparency
 - ✓ Claims payment policies and practices, including data on denied claims
 - ✓ Data on rating practices and enrollment
 - ✓ Information on the amount of cost-sharing required
 - ✓ Information on payments for out-of-network coverage

Qualified Plans

Qualified plans can offer varying levels of coverage.

Levels are distinguished by the percentage of costs that will be paid for by the plan vs. the average consumer



- ❖ Qualified plans must:
 - ✓ Agree to offer at least one Silver and one Gold Plan
 - ✓ Agree to charge the same premium whether the plan is sold inside or outside of the Exchange